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# THE REAL CLASS STRUGGLE

*By* FRANK CHODOROV

AT LEAST ONE BUSINESS is not waiting for a general depression; it has a depression of its own. Anyone trying to peddle the concept of freedom knows how little demand there is for that commodity, and how that little is getting smaller. It takes a burning faith to prevent one from closing up shop until that fateful day when the complete loss of freedom will revive an interest in it.

However, one does not quit that easily, particularly when one is thoroughly sold on one's merchandise. The inclination is to analyze the sales resistance, with the hope that discovery of its cause will suggest a new way of attracting customers.

An opportunity for such analysis came to me last month, when I talked to a group of college girls — reputedly of the "upper crust" — on the subject of social security. The subject served as window trimming for the discussion of freedom in general, in the post-lecture and question-and-answer period.

Putting aside my inadequacy as a salesman, and judging only by the questions that were thrown at me, I would say that these sweet intellectuals — and they are not alone in this respect — could not work up any interest in freedom simply because all their thinking along these lines was preempted by assumptions that deny freedom out of hand. The assumptions created a mental barrier to freedom, even as dogma makes it impossible to sell meat to a Catholic on Friday, or pork to an orthodox Jew on any day.

Unless these assumptions can be rooted out the business of freedom will continue to be in a bad way.

The first assumption — or is it a fixation? — is that society and government are identical; as one girl put it, you cannot separate the fingers from the hand. Now, the whole case for freedom rests on the thesis that man is born with it, and that it is in the nature of government to limit, thwart or constrict the full expression of that human characteristic. Between the social order and the political establishment, then, there is constant tug-of-war.

The struggle does not arise from the goodness of man and the badness of government; the one cannot help wanting to be free, the other is impelled by the inner urge of political power to make off with as much freedom as it can lay its hands on. This is as true of republican or democratic governments as of other forms, and no political party, and certainly not the socialists, can do anything about it. The denial of this fact, the assumption of the identity of the two opposing tendencies, gives government a greater opportunity to fatten on the freedom of the people. The assumption puts society at a disadvantage.

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The other assumption, which follows from the first, is that whatever is unjust or incongruous in the social order comes from a conflict of interests within society, not from any conflict between the people and their government. The cleavage within society is between those who have and those who lack. This disproportion in ownership, the assumption holds, is caused by a sort of regularized highwaymanry; those who lack have been victimized by those who have. It is the first duty of government to correct this inequity, which would be a simple chore for the "right" kind of government; if only fifty-one percent of the people were agreed on the proper procedure, were properly "educated", the maldistribution of wealth which causes all our social evils would be done away with.

Behind this idea is the old urge for leveling, which is the very opposite of freedom; for men being different in capacities, freedom and equality are contradictory terms. Without going into that subject, it should be evident that the "class struggle" explanation of all our social difficulties makes the case for freedom very difficult, since it automatically calls for use of political power as a curative. You cannot sell freedom to a person who has swallowed this "class struggle" notion whole.

COME TO THINK OF IT, the notion is an axiom in most people's thinking. The politician accepts it because it serves his purpose well; it is the substance of such potent vote-getting phrases as "economic royalists" and "selfish interests". The well-to-do, as a class, accept it because it flatters their egos; their bank balances, which may be the only thing they possess, prove them to be "superior". The incompetents, on the other hand, are all for it, because it explains away their incompetence. And how could the labor union leaders get along without a "class struggle" doctrine?

Karl Marx tried to give the doctrine a "scientific" underpinning, by inventing an explanatory economic theory, which he called "surplus value". It runs something like this: All society is divided into two classes, those who own the means of production or capital, and those who own nothing but their labor power. These proletarians are compelled by the needs of the stomach to work for the former, receiving wages for their contribution to production. Naturally, the capitalists pay the lowest wages possible, which in the circumstances amount to mere subsistence; the worker simply cannot work for less. But the worker produces more than his subsistence needs, and all he produces above that amount is "surplus value". This the capitalist appropriates.

This fanciful notion of wages has nothing but imagination to stand on. Any neophyte in economics knows (after he rids himself of his college courses) that the level of wages is determined by the level of production; the capitalist has nothing to do with it. It is the consumer who fixes the wages of the worker; it is the consumer also who determines whether the capitalist will receive any compensation for the use of his capital. Even some of the idolators of Marx — called the "revisionists" — recognized the flimsiness of the "surplus value" theory, and at least one of them, a biographer of Marx, admitted that while the theory is untenable in fact, it has merit as propaganda.

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Propaganda for what? For the "class struggle" notion. For, both the Marxists and the neo-Marxists — like the Fabians, the New and Fair Dealers — have always been determined to keep a fire under the doctrine of the conflict of economic classes. One could make out a case for other class distinctions and antagonisms; as, for instance, between religionists and agnostics, merchants and customers, baseball players and umpires. But such distinctions are of no use to the demagogue and are therefore automatically ruled out.

The doctrine of capitalistic exploitation — accepted as axiomatic in most college economics textbooks, even though the supporting doctrine of "surplus value" is discarded — suggests the need of remedial action; which is another way of saying that a call for the cop is in order. Marx argued that when the nightstick is wielded by the proletariat — the inherently "superior" class — there will be no more exploitation. The neo-Marxists, who never did a day's productive work in their lives, and never intend to, discard the notion of proletarian supremacy and put their faith in those who have "majored" in economics. The point is that whether the proletarians or the "majors" are to do this doctoring, the medicine is compulsion. And one cannot help but suspect that the glory of power, the joy of being able to impose one's will upon another, is motive enough for keeping the "class struggle" notion fixed in the public consciousness. There it remains as a barrier to the concept of freedom.

SINCE THE KEY TO THE "class struggle" notion is the word "exploitation", it might be well to ask what this word signifies. The "surplus value" theory no longer serves as explanation and other definitions are somewhat long-winded. In the final analysis, exploitation is the taking of some other fellow's property by the use or threat of force — something like the "money or your life" method of getting rich. The difference between exploitation and ordinary robbery is that the one is legal and the other is not. But, in either case, the use or threat of force is involved.

This brings us to a class struggle theory that has some basis in reality. Since force is the essence of exploitation, it follows that those who enjoy a monopoly of force — the government — are in excellent position to practice exploitation. Whatever shifting of property from producers to non-producers does go on, the cause will be found in the exercise of political power; those who try to exploit their fellow man without this advantage are courting sojourns in jail.

This is not to say that the politician uses his position to feather his nest; he may or may not, but his emoluments, legal or otherwise, are not the measure of his exploitative power. It is rather in the use of the power vested in him for the advantage of others that he becomes a menace to property rights and freedom. But, why does the politician use the power vested in him to better the circumstances of other people? Simply because he is in constant need of allies.

Since the beginning of organized society, the political establishment has lived in unholy alliance with individuals or groups, whereby the latter, in exchange for support of

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the establishment, have profited at the expense of other segments of society. The reason for this alliance is the tenuous position of that minority which is in control of the political power; alone they cannot hold on. The king needed a supporting cast of nobles to keep his throne from tottering; and the commissars are soundly entrenched in the Kremlin because a well-fed army of soldiers and civilians find it profitable to keep them there. A privileged class is the rock on which the State stands.

Putting aside past history, let us look at the present American State, which is reputed to hold tenure at the will of the people. That is true, only if you add "which people?". In times past, the supporting cast consisted of what we used to call "the robber barons" — individuals who were paid off with land grants, franchises and laws which protected them from competition and thus enabled them to garner a monopoly profit. In recent years, to these beneficiaries of special privilege have been added farmers who are paid for not farming, workers for not working, renters for not paying rent; to them the State is good and they support it at the polls. They are the chosen people; the rest are exploitees.

The principal instrument of exploitation at the disposal of government is the power to levy taxes. Without that, it would be harmless. It is by this means that the politician is not only able to support himself in his position of power, but also to extract from its rightful owners the property which he uses to buy allies. In this country, the law and political expediency make it incumbent on him to levy on all the citizens with some semblance of impartiality; it is in the dispensation of the confiscated property that his purpose shows up. His grants-in-aid are carefully distributed with an eye to the voting strength of the recipient pressure groups.

So, the economic class struggle shapes up as a conflict between those who profit by privilege and those who pay more than they get back from the government. The latter must be in the majority, simply because an equal distribution of privilege would give nobody an advantage; and, then, after the government deducts its share for managerial expenses, there is less to hand out than what was taken in. But, the point is that the privileged class is created by political power; there is no way for them to exploit the rest of the population if they do not enjoy the use of this power on a sort of lend-lease basis.

THIS IS THE TRUTH that must first be understood if the struggle for freedom is to suceed: The State, impelled by an irresistible force toward the acquisition of power, gains support for its purposes by buying up pressure groups with the property it extracts from Society. The real class struggle is not between the privileged and the disadvantaged; that is only a carefully cultivated mirage. The real class struggle is between Society and the State.

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# HUMAN EVENTS

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**As Congress Opens — Republican Cloakroom:** As Congress gathered to hear the President, the following exchange of views took place between two Republicans on a matter which is so vital and tender that it rarely is aired with thoroughness in print in the Capital:

First Republican: We must have unity this year, if we're going to win the House and Senate next fall. We've been out of power so long and in opposition that we have got a habit of rebelliousness and excessive independence. We've got to learn to follow the President. We need discipline and the Republican members of Congress will have to take the White House program, whether they like it or not. Unless we put over the White House program we will lose next fall and the Party will be ruined and will disappear as a party.

Second Republican: How do you expect Ike to exact unity and obedience to his program when a far more popular, powerful and adroit President — F. D. Roosevelt — never achieved it. You talk of "discipline". You apparently mean the secret organization being formed to purge independent GOP members of congress who fail to go along with the program. Why do you think Ike can succeed where F.D.R. failed so dismally in 1938 when he tried to do the same? As a matter of fact, in that year the Republicans made their biggest comeback and biggest congressional gains — and few doubt that it was as a result of the trouble made in the Democratic ranks. In short, you risk not only losing next fall's elections but also damaging the GOP beyond repair.

First Republican: But unless the members follow the President you won't have a party.

Second Republican: Why not? The Democratic Party continued under Roosevelt and Truman although the Southern Democrats voted consistently with the Republicans on a number of major issues. But even in the Republican Party in the Twenties, you should remember, some Western Republicans used to run quite independently of the White House and the national organization of the Party.

**Democratic Cloakroom:** The most important fact about the New Deal Democrats who now run that party is that they are literally terrified of the damage done to it by the Harry Dexter White affair and of the potential damage yet to be wrought if the Republicans vigorously follow the "McCarthy line". Democratic Chairman Mitchell's admission that his party has suffered from the issue is an indication of the real distress which reigns behind closed doors of party councils and which has been kept concealed. Two developments have exacerbated this apprehension:

(1) Senator McCarthy deliberately (in his last TV speech) sought to cultivate those Democrats who hate the Red connections of the Party's leaders and managed to make a distinction between the American Democrats and the Red parasites who have worked so successfully into the higher ranks of the Party. Democratic Party chieftains dread this approach of McCarthy and shrink from contemplating what the Wisconsin Senator, along this line, may do to the Democratic rank-and-file in next fall's elections.

(2) Governor Dewey's hot speech against the Democrats in Hartford, Connecticut, has upset the New Dealers who run the Democratic Party.

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These developments have caused such nightmares that the familiar phalanx of left-wing New Deal columnists has been thrown into the breach to try to repair the damage and keep unity in the Party. Hence, the line — now appearing frequently — that the Democrats in Congress are so mad at the Republicans over the Harry Dexter White case that they won't cooperate with the White House in the passage of its program. Republican realists, of course, never expected they would really cooperate. But some of the New Deal Republicans in the White House may be impressed by this "blackmail".

**Bricker Amendment:** Our Wall Street correspondent reports: Down here, they're nicknaming it a "Goldman, Sachs operation" — meaning the Committee formed last week to defeat the Bricker Amendment (which is designed, as we see it here, to protect American sovereignty from treaty law). The new committee is called "Committee for Defense of the Constitution by Preserving the Treaty Power". Last week, we revealed that Mr. Arthur J. Goldsmith was active in forming this group. Mr. Goldsmith promoted the "Committee for National Affairs" in the early post-war years to defeat "isolationists"; his efforts are said to have helped in the defeat in 1946 of Senator B. K. Wheeler of Montana, but failed to overturn Senator Pat McCarran of Nevada. Columnist Westbrook Pegler has devoted some interesting pieces to the subject of Mr. Goldsmith.

John W. Davis, whose law firm is connected with J. P. Morgan and Company, is one co-chairman; another is General Lucius Clay (former U.S. commander in Germany). That is where the "Goldman, Sachs" comes in. For Clay is now Chairman of the Board of Directors of Continental Can Company, and Goldman, Sachs — together with Lehman Brothers — helped finance Continental Can. Lehman Brothers is owned by the family of that name, of which Senator Herbert Lehman, New Deal Democratic Senator, is a member.

But, down here, near Broad and Wall, we think that Goldman-Sachs is the most powerful in this matter. Mr. Sidney J. Weinberg is considered to be the moving spirit behind Continental Can. It is said that he was instrumental in putting General Clay in as Board Chairman. He is himself on the Can board. Also on that board is Junius S. Morgan (of J. P. Morgan and Company) and Paul C. Cabot (a J. P. Morgan director and Harvard Treasurer). It is rumored that Weinberg also got these Morgan men on the board. Weinberg is known as a "New Deal Republican" and was prominent in the fight to nominate Ike at Chicago a year ago last summer.

Another prominent figure on the committee is Professor Edward S. Corwin, of Princeton University, known as an expert on constitutional law. The *Chicago Tribune*, in an editorial (January 5), recalls that Corwin in his book *Total War and the Constitution* (1947) said: "Today it is the overwhelming verdict of practice, at least, under the Constitution, that no treaty provision which deals with subject matter falling to the jurisdiction of Congress by virtue of its enumerated powers can have the force of 'law of the land' unless Congress has adopted legislation to that effect." The *Tribune* notes a disparity between what Corwin said in 1947 and what he says today and concludes, "In a realm of legal dialectic as slippery as this, the only sure safeguard is to require everybody charged with the conduct of government to live within the limits of the Constitution. This the Bricker Amendment does. Those who oppose it are arguing for a government without constitutional restraint."

**Not Merely Gossip:** The Democrats seem to want to make a party issue of Ike's decision to withdraw two American divisions from the Korean front. Certain Democrats view the move as "appeasement". Best impartial opinion here is a bit undecided on the merits of this matter. The Ike move may fit into the appeasement pattern and thereby would have a bad effect on the Asiatic situation. On the other hand, it could also just as well fit into the pattern of the new defense strategy — the reliance principally on air supremacy, with cuts in the Army and Navy as subsidiary services. This policy, all around the world, is one of "disengagement" from commitments, to perform ground warfare, leaving those theaters to native

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military forces supplied by us, and backed up by our air and sea power. It is not improbable that Ike's move in withdrawing the two divisions fits into this category. At least, a number of foreign observers interpret the move this way and have so informed their governments.

● Friends of the Bricker Amendment are holding their breaths, hoping that Senator Bricker will be careful about negotiating any "compromises" of the amendment draft with the White House. For some conferences on the matter have been held in the past week and there come reports that Bricker was prepared to agree to something like the Knowland "compromise" of last summer, which Bricker sharply rejected at that time. These new reports have been denied by Bricker's office. But, while Bricker's sound patriotism and complete good intentions are not questioned, his judgment in some of these intricate questions of drafting are. It is recalled that it took Frank Holman and others some time to get the Senator straightened out on the wording of the resolution last winter. In short, some here hope that not only Frank Holman, granddaddy of the amendment, but also Dean Clarence Manion (formerly of Notre Dame Law) who has fought valiantly for it, will keep a very acute watching brief at Bricker's elbow.

● Watch for — a radio broadcast to America from Formosa by Generalissimo and Madame Chiang Kai-shek, before very long. Preparations — it is reported — are under way and may be announced in the very near future. One thing the General might say in his speech (for he has said it bluntly to some Americans recently in Formosa) is that if the UN should ever admit Red China, that would be the end of the UN.

**Return of the Lame Duck:** Former Senator Henry Cabot Lodge, Jr., is coming back to Washington to stay awhile, since the UN Assembly, where he represented the U.S. in the last session, has adjourned. The usual claque of New Dealish columnists will seek to spread the impression that Lodge returns as "conquering hero", after accomplishing much at the UN. Actually, foreign observers who had to devote much time watching the futile gyrations at Lake Success say quite the contrary. They believe the Lodge mission was a "poor show".

The first thing that a delegate to the UN should realize is that if the organization has any value (which is doubtful) it is purely one of providing an international propaganda forum. The Russians obviously understand this full well, and Vishinsky plays the game to perfection. Not so much can be said of the Americans, especially Lodge. No one can deny that — according to the above criterion — the UN has had no value whatever to the U.S. because our adversaries, the Russians, win the propaganda game.

Unless a delegate appreciates the true reality of the UN, he is liable to feel that this or that parliamentary move in which he becomes involved really is important in itself. Observers who watched Lodge doubt that he fully understands the underlying fact about the UN, that he often seems to feel that the forensic engagement into which he enters may be really important apart from its propaganda implications.

Lodge's biggest "stunt" was supposed to be the presentation of our evidence on Korean atrocities and his fight to get the UN to take some severe stand. Actually, all that happened was a "viewing-with-alarm" resolution, passed with no great *brio*, and failure to win a "condemnation".

The former Senator, it is emphasized, is not a good "technician" in the UN arena. He is not — and it is a wounding comparison — the equal of his predecessor, Warren D. Austin, former Senator from Vermont, who served a number of years in the UN; and Warren Austin — it is conceded — himself was "no great shakes".

**Economic Seers:** "The economic state of the nation is healthy." So begins a leading story in "The National Financial and Business Review" section of the *New York Times* of January 4. The next sentence: "Some of the ills that had been predicted for 1953 never appeared till the latter part of the year." That is to say, while business has been good, despite the dour predictions of the experts at the beginning of the year, you must not discount these predictions or the experts; the inference is that the "ills" they

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foretold are beginning to show up now. Maybe events will prove them right after all, and their reputations will be saved.

The fact is, as businessmen who hire them should know, the predictions made by these "economists" are based on nothing more than what is called "chart reading" in the stock market. Assembling a lot of figures on what happened in the past, they presume that something like it will happen in the future; the figures are all they have to go by. They do not ask *why* — what were the causes for the figures on which they draw conclusions — because they do not believe in *why*. They are statisticians, not philosophers. For that reason, the best they can expect from their prognostications in a fifty per cent average; they will probably be wrong as often as they will be right. Various times they predicted "depression"— and they were wrong.

Statistics only record what has happened. They cannot record what will happen. If the statistics are read in relation to some general principle — some immutable law — then they can help one to predict. This is what is called in logic the "deductive method" — reasoning from a general principle which has been proven by experience. But, modern economists reject immutable law — "there ain't no absolutes", they say. Politics, they maintain, can twist economics this way or that, according to plan, and natural law has nothing to do with it. Rejecting natural law in economics leaves them with nothing but statistics to go by.

That's why they are wrong at least half the time. That's why their predictions have about as much validity as those of Merlin the Magician of the King Arthur era.

**Pearson:** Senators Jenner and McCarran were permitted to interview Igor Gouzenko, the former Red spy in Canada, under the strict chaperonage of the Canadian Ministry of External Affairs. This is headed by Mr. Lester Pearson, who is coming in for some criitcal articles, and not merely from U.S. sources.

The British conservative newsletter *Candour* says that Pearson's policy "has shown a tendency which could easily be interpreted as leniency towards Communists and Communist sympathizers", and mentioned the case of Dr. Otto Strasser. "It is generally known", says *Candour,* "that this anti-Hitler German, who has given over twenty years of his life to fighting Communism and Nazism — and who was one of the first to warn of the folly of replacing Hitlerism with the far greater menace of Stalinism — has long been earmarked as a special enemy by the Reds and fellow-travellers all over the world. *Neue Zeit,* Moscow's leading periodical of the Comintern, published as early as 1947 the statement that Dr. Strasser was one of the "three leading warmongers" of our time. This official party line was and is, of course, an order to every Communist and fellow-traveller to smear and hinder Strasser's activities in every way possible. In the light of this undeniable fact, one can only wonder — if Mr. Pearson really does not favor and desire to help the Communists — how on earth the Canadian Foreign Minister can continue, eight and one-half years after the war, to refuse Strasser an International Certificate of Identity for Stateless Persons which would long ago have restored to this prominent anti-Red his freedom of movement."

*Candour* goes on: "One can only wonderingly compare Mr. Pearson's coyness about issuing even a humble Identity Certificate to proven anti-Reds, with his most generous act in granting a Canadian Passport to the convicted traitor and Red spy, Fred Rose. Mr. Rose, in spite of his Russian birth, was for some time a member of the Canadian Parliament, where he represented the Communist party. Caught in the spy net, which — thanks to Mr. Gouzenko — was finally exposed, Fred Rose was convicted of treason and thereafter served several years in a Federal penitentiary. This evidently entitled him, in the opinion of Mr. Pearson, at least, to a vacation in a Czechoslovak resort, deep behind the Iron Curtain."

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